

AR54



CANCO PRODUCTS

- Addison, Ill.
- Arlington, Tex.
- Astoria, Ore.
- Atlanta, Ga.
- Austin, Ind.
- Austin, Minn.
- Baltimore, Md.
- Bellwood, Ill.
- Boston, Mass.
- Brooklyn, N. Y.
- Chatham, Ont., Canada —
- Chicago, Ill.
- Cincinnati, O.
- Columbus, Ga.
- Dade City, Fla.
- Denver, Colo.
- Detroit, Mich.
- East Orange, N. J.
- Eugene, Ore.
- Fairport, N. Y.
- Geneva, N. Y.
- Halethorpe, Md.
- Hamilton, Ont., Canada —
- Hammond, Ind.
- Harrisburg, Pa.
- Hillside, N. J.
- Hoboken, N. J.
- Honolulu, Hawaii
- Hoopeston, Ill.
- Houston, Tex.
- Indianapolis, Ind.
- Jersey City, N. J.
- Kahului, Hawaii
- Kansas City, Mo.
- Kapaa, Hawaii
- Lemoyne, Pa.
- Lindsay, Calif.
- Los Angeles, Calif.
- Lubec, Me.
- Maywood, Ill.
- Milwaukee, Wis.
- Montreal, P. Q., Canada —
- Needham, Mass.
- New Orleans, La.
- New York, N. Y.
- Niagara Falls, Ont., Canada —
- Oakland, Calif.
- Ogden, Utah
- Orlando, Fla.
- Pago Pago, American Samoa
- Philadelphia, Pa.
- Pittsburgh, Pa.
- Plymouth, Fla.
- Portland, Me.
- Rochester, N. Y.
- Sacramento, Calif.
- Salem, Ore.
- San Antonio, Tex.
- San Francisco, Calif.
- San Jose, Calif.
- San Juan, P. R.
- St. Louis, Mo.
- St. Paul, Minn.
- Savannah, Ga.
- Seattle, Wash.
- Simcoe, Ont., Canada —
- Stockton, Calif.
- Tampa, Fla.
- Toronto Township, Ont., Canada —
- Vancouver, B. C., Canada —
- Waukegan, Ill.
- West Caldwell, N. J.
- West Point, Miss.
- White Plains, N. Y.
- Wilmington, Calif.

IMPACT GRAPHICS, INC.
■ Oak Brook, Ill.

MARATHON PRODUCTS

- Atlanta, Ga.
- Boston, Mass.
- Cincinnati, O.
- Chambersburg, Pa.
- Chicago, Ill.
- Cleveland, O.
- Dallas, Tex.
- Des Moines, Ia.
- Halethorpe, Md.
- Jackson, Miss.
- Jersey City, N. J.
- Kansas City, Mo.
- Los Angeles, Calif.
- Louisville, Ky.
- Menasha, Wis.
- Minneapolis, Minn.
- Modesto, Calif.
- Neenah, Wis.
- Newnan, Ga.
- New York, N. Y.
- Orlando, Fla.
- Philadelphia, Pa.
- Pittsburgh, Pa.
- St. Louis, Mo.
- St. Mary's, Ga.
- San Francisco, Calif.
- Seattle, Wash.
- Salem, Ore.
- Sunnyside, Wash.
- Toronto, Ont., Canada —
- Wausau, Wis.

PULP AND PAPER MILLS AND WOODLANDS

- Ashland, Wis.
- Bellamy, Ala.
- Green Bay, Wis.
- Marathon, Ont., Canada —
- Menominee, Mich.
- Naheola, Ala.
- Rothschild, Wis.
- Thomasville, Ala.

CONSUMER PRODUCTS

- Anaheim, Calif.
- Atlanta, Ga.
- Brampton, Ont., Canada —
- Chicago, Ill.
- Darlington, S. C.
- Detroit, Mich.
- Easton, Pa.
- Forks Township, Pa.
- Fort Smith, Ark.
- Green Bay, Wis.
- Lexington, Ky.
- Los Angeles, Calif.
- Menominee, Mich.
- Naheola, Ala.
- New York, N. Y.
- Philadelphia, Pa.
- San Francisco, Calif.
- Boston, Mass.
- San Antonio, Tex.
- Seattle, Wash.

GLASS PRODUCTS

- Baltimore, Md.
- Chicago, Ill.
- Cincinnati, O.
- Cliffwood, N. J.
- New York, N. Y.
- St. Louis, Mo.
- Shakopee, Minn.
- Terre Haute, Ind.

DIXIE INDUSTRIAL PRODUCTS

- Anaheim, Calif.
- Atlanta, Ga.
- Baltimore, Md.
- Boston, Mass.
- Brampton, Ont., Canada —
- Chicago, Ill.
- Darlington, S. C.
- Detroit, Mich.
- Easton, Pa.
- East Orange, N. J.
- Fitchburg, Mass.
- Forks Township, Pa.
- Fort Smith, Ark.
- Lexington, Ky.
- Los Angeles, Calif.
- New York, N. Y.
- Philadelphia, Pa.
- Pittsburgh, Pa.
- San Francisco, Calif.

PLASTIC PRODUCTS

- Chicago, Ill.
- Cincinnati, O.
- Los Angeles, Calif.
- Maynard, Mass.
- Ottawa, Ont., Canada —
- Shelbyville, Tenn.
- Toronto, Ont., Canada —
- Union, N. J.
- Washington, N. J.

RESEARCH FACILITIES AND DATA PROCESSING COMPUTING CENTERS

- ▲ Barrington, Ill.
- ▲ Detroit, Mich.
- ▲ Easton, Pa.
- ▲ Hamilton, Ont., Canada —
- ▲ Houston, Tex.
- ▲ Huntington, N. Y.
- ▲ Los Angeles, Calif.
- ▲ Matawan, N. J.
- ▲ Maywood, Ill.
- ▲ Metuchen, N. J.
- ▲ Neenah, Wis.
- ▲ Newark, N. J.
- ▲ Princeton, N. J.
- ▲ Rahway, N. J.
- ▲ Rothschild, Wis.
- ▲ San Francisco, Calif.
- ▲ Seattle, Wash.
- ▲ Southfield, Mich.
- ▲ Tampa, Fla.

M&T CHEMICALS INC.

- Andrews, S. C.
- Atlanta, Ga.
- Baltimore, Md.
- Beaverdam, Va.
- Carrollton, Ky.
- Carteret, N. J.
- Chicago, Ill.
- Cleveland, O.
- Dallas, Tex.
- ▲ Detroit, Mich.
- East Chicago, Ind.
- Grand Rapids, Mich.
- ▲ Hamilton, Ont., Canada —
- Huntington, N. Y.
- ▲ Matawan, N. J.
- New York, N. Y.
- Pico Rivera, Calif.
- ▲ Rahway, N. J.
- St. Louis, Mo.
- Seattle, Wash.
- Southfield, Mich.
- South San Francisco, Calif.
- Tampa, Fla.

- MANUFACTURING
- SALES
- ▲ RESEARCH FACILITIES



American Samoa

Hawaii

Puerto Rico

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THE COVER: During 1965 the American Can Company adopted an "Action A" as its corporate trademark, to assist in presenting a consistent, distinctive and memorable picture of the Company. "Action A" suggests the folding, forming, and printing by which American produces many of its Creative Products That Shape Your Future.



Lee J.



this is the

AMERICAN
CAN
COMPANY

1965

100 Park Avenue
New York, New York 10017
Telephone: (212) 972-4700
Cable Address: AMCANCO

AMERICAN CAN COMPANY

1964 HIGHLIGHTS

Net sales	\$1,225,839,000
Net income after taxes	\$46,896,000
Earnings per share of common stock	\$2.70
Dividend on common stock	\$2.00
(Dividends have been paid every year since 1923)	
Total payroll and employee benefits	\$396,936,000
Capital expenditures	\$96,189,000
Total taxes paid	\$65,494,000
Return on Sales	
Before Taxes	7.1%
After Taxes	3.8%
Book value per common share	\$32.22
Number of stockholders	126,340

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The AMERICAN CAN COMPANY is
an equal opportunity employer.

THE AMERICAN CAN COMPANY and its subsidiaries, employing 46,000 people in plants and facilities in 136 cities in 30 states, Canada, Puerto Rico and American Samoa, manufacture more than 1,700 different consumer and industrial products from metal, paper, plastics and glass, and operate eight research laboratories, two data computing centers and 93 sales offices in the United States and Canada.

The Company's wholly-owned domestic subsidiary — M&T Chemicals Inc. — employs 1,400 people and is engaged in the manufacture of minerals, coatings and chemicals for a number of industrial uses.

In Canada, AMERICAN's subsidiaries operate 10 plants. Overseas, the Company's 40 major subsidiaries and affiliates in 25 countries employ 3,000 nationals. AMERICAN's International Operations, employing 42 people, is located at 100 Park Avenue, New York City, headquarters of the corporation.

AMERICAN products are made from virtually every known material, including tinplate, paper, paperboard, aluminum, plastics, fibre-foil and metal-plastic. These products are well-known to industry and the general public under such trade-names as Dixie (paper plates and paper cups), Bradley-Sun (plastic and metal squeeze-tubes and extruded aluminum aerosols), Marathon (paperboard packaging for food products), Northern (paper towels, paper napkins, toilet tissue, facial tissue, table cloths and mats, waxed paper), Canco (rigid metal containers, composite metal and paper containers), Tuffy (paperboard milk containers), and Miraglass (one-trip glass containers).

When the Company was founded in 1901, principal production was in metal cans. In 1956, AMERICAN began diversification within the packaging field through the acquisition of the Bradley Container and Sun Tube companies. In 1957, the former Dixie Cup Company and Marathon Corporation became operating divisions. AMERICAN entered the glass container industry in 1960.

In October 1964, the corporate structure of the American Can Company was realigned to establish centralized management operations, under William C. Stolk, President and Chief Executive Officer. The two major corporate branches of the Company today are Administration and Operations.

Reporting to the Executive Vice President in charge of Administration, William F. May, are the Company's domestic subsidiary (M&T Chemicals Inc.), International Operations and these corporate departments:

Engineering & Equipment, Public Relations & Advertising, Purchasing & Transportation, Personnel & Industrial Relations, Planning & Development, Industrial Engineering, Legal, and Finance.

Reporting to the Executive Vice President in charge of Operations, E. T. Klassen, are two Product Groups, each of which is headed by a Vice President and General Manager.

Details of the products, plants, facilities and sales offices of these two Product Groups follow.



CANCO, GLASS AND PLASTIC PRODUCT GROUP

Frank J. Graziano, *Vice President & General Manager*

Headquarters: NEW YORK CITY

SALES

D. Bruce Wiesley, *Vice President — Canco Products Sales*

Headquarters: NEW YORK CITY

CANCO SALES OFFICES

Arlington, Tex.	New York, N.Y.
Atlanta, Ga.	Oakland, Calif.
Baltimore, Md.	Ogden, Utah
Chestnut Hill, Mass.	Pittsburgh, Pa.
Chicago, Ill.	Portland, Me.
Cincinnati, Ohio	Rochester, N.Y.
Denver, Colo.	St. Louis, Mo.
Detroit, Mich.	St. Paul, Minn.
East Orange, N.J.	San Francisco, Calif.
Hamilton, Ontario, Canada	San Juan, Puerto Rico
Honolulu, Hawaii	Seattle, Wash.
Houston, Tex.	Tampa, Fla.
Indianapolis, Ind.	Toronto, Ontario, Canada
Kansas City, Mo.	Vancouver, B.C., Canada
Los Angeles, Calif.	Wauwatosa, Wis.
Montreal, P.Q., Canada	White Plains, N.Y.
New Orleans, La.	Wynnewood, Pa.

Douglas M. Johnson, *Vice President — Glass Products Sales*

Headquarters: NEW YORK CITY

GLASS PRODUCTS SALES OFFICES

Chicago, Ill.	New York, N.Y.
Cincinnati, Ohio	Shakopee, Minn.

Richard H. McCarthy, *Vice President — Plastic Products Sales*

Headquarters: UNION, N.J.

PLASTIC PRODUCTS SALES OFFICES

Des Plaines, Ill.	Ottawa, Ontario, Canada
Cincinnati, Ohio	Toronto, Ontario, Canada
Los Angeles, Calif.	Union, N.J.

MANUFACTURING

Garnett A. Vaughan, *Vice President — Canco Products Manufacturing*

Headquarters: NEW YORK CITY

CANCO PLANTS & FACILITIES

Addison, Ill.	Los Angeles, Calif.
Arlington, Tex.	Lubec, Me.
Astoria, Ore.	Maywood, Ill.
Austin, Ind.	Milwaukee, Wis.
Austin, Minn.	Montreal, P.Q., Canada
Baltimore, Md.	Needham, Mass.
Bellwood, Ill.	New Orleans, La.
Brooklyn, N.Y.	Niagara Falls, Ontario,
Chatham, Ontario, Canada	Canada
Chicago, Ill.	Oakland, Calif.
Columbus, Ga.	Ogden, Utah
Dade City, Fla.	Pago Pago, American Samoa
Denver, Colo.	Philadelphia, Pa.
Detroit, Mich.	Plymouth, Fla.
Eugene, Ore.	Portland, Me.
Fairport, N.Y.	St. Louis, Mo.
Forest Park, Ga.	St. Mary's, Ga.
Geneva, N.Y.	St. Paul, Minn.
Halethorpe, Md.	Sacramento, Calif.
Hamilton, Ontario, Canada	Salem, Ore.
Hammond, Ind.	San Antonio, Tex.
Harrisburg, Pa.	San Francisco, Calif.
Hillside, N.J.	San Jose, Calif.
Hoboken, N.J.	San Juan, Puerto Rico
Honolulu, Hawaii	Savannah, Ga.
Hoopeston, Ill.	Seattle, Wash.
Houston, Tex.	Simcoe, Ontario, Canada
Indianapolis, Ind.	Stockton, Calif.
Jersey City, N.J.	Tampa, Fla.
Kahului, Hawaii	Vancouver, B.C., Canada
Kansas City, Mo.	Waukegan, Ill.
Kapaa, Hawaii	West Caldwell, N.J.
Lemoyne, Pa.	Wilmington, Calif.
Lindsay, Calif.	

V. J. Verhunce, *Vice President — Glass Products Manufacturing*

Headquarters: CLIFFWOOD, N.J.

GLASS PLANTS & FACILITIES

Cliffwood, N.J.
Shakopee, Minn.
Terre Haute, Ind.

Nicholas Marchak, *Vice President — Plastic Products Manufacturing*

Headquarters: WASHINGTON, N.J.

PLASTICS PLANTS & FACILITIES

Maynard, Mass.
Ottawa, Ontario, Canada
Shelbyville, Tenn.
Washington, N.J.

MAJOR PRODUCTS—CANCO

Tinplate metal containers, aluminum containers, metal-plastic combination containers, plastic containers, fibre-foil composite containers, can-closing equipment.

MAJOR PRODUCTS—GLASS

Glass food containers, glass beverage containers, glass containers for household products, Mug glass containers for beer.

MAJOR PRODUCTS—PLASTICS

Plastic squeeze tubes, collapsible metal tubes, plastic bottles, extruded aluminum pressure containers, custom-molded parts.

PAPER PRODUCT GROUP

Emmett W. Below, *Vice President & General Manager*

Headquarters: NEW YORK CITY

SALES

Robert J. Turek, *Vice President — Consumer Products Sales*

Headquarters: GREEN BAY, WIS.

DIXIE SALES OFFICES

Anaheim, Calif.
Baltimore, Md.
Boston, Mass.
Brampton, Ontario, Canada
Darlington, S.C.
Dearborn, Mich.
Easton, Pa.
Fort Smith, Ark.
Green Bay, Wis.
Hyattsville, Md.
Lexington, Ky.
Los Angeles, Calif.
New York, N.Y.
Oak Park, Ill.
Philadelphia, Pa.
Pittsburgh, Pa.
San Francisco, Calif.

NORTHERN SALES OFFICES

Des Plaines, Ill.
Detroit, Mich.
Green Bay, Wis.
Los Angeles, Calif.
Palo Alto, Calif.
San Antonio, Texas

William G. Genné, *Vice President — Dixie Industrial Products Sales*

Headquarters: EASTON, PA.

DIXIE INDUSTRIAL SALES OFFICES

Anaheim, Calif.	Hyattsville, Md.
Baltimore, Md.	Lexington, Ky.
Boston, Mass.	Los Angeles, Calif.
Brampton, Ontario, Canada	New York, N.Y.
Darlington, S.C.	Oak Park, Ill.
Dearborn, Mich.	Philadelphia, Pa.
Easton, Pa.	Pittsburgh, Pa.
Fort Smith, Ark.	San Francisco, Calif.

Palmer B. McConnell, *Vice President — Marathon Industrial Products Sales*

Headquarters: NEENAH, WIS.

MARATHON INDUSTRIAL PRODUCTS SALES OFFICES

Atlanta, Ga.	Neenah, Wis.
Chicago, Ill.	New York, N.Y.
Cleveland, Ohio	Philadelphia, Pa.
Dallas, Tex.	St. Louis, Mo.
Kansas City, Mo.	San Francisco, Calif.
Los Angeles, Calif.	Seattle, Wash.
Minneapolis, Minn.	Toronto, Ontario, Canada
Needham, Mass.	

MILK CONTAINER SALES OFFICES

Arlington, Tex.	Needham Heights, Mass.
Cincinnati, Ohio	New York, N.Y.
Halethorpe, Md.	Pittsburgh, Pa.
Jersey City, N.J.	San Francisco, Calif.
Los Angeles, Calif.	Seattle, Wash.
Maywood, Ill.	Tampa, Fla.

MANUFACTURING

Walter E. Bachman, Jr., *Vice President — Dixie Products Manufacturing*

Headquarters: EASTON, PA.

DIXIE PLANTS & FACILITIES

Anaheim, Calif.

Brampton, Ontario, Canada

Darlington, S.C.

Easton, Pa.

Fitchburg, Mass.

Forks Township, Pa.

Fort Smith, Ark.

Lexington, Ky.

Douglas G. Hyde, *Vice President — Marathon Products Manufacturing*

Headquarters: NEENAH, WIS.

MARATHON PLANTS & FACILITIES

Chambersburg, Pa.

Des Moines, Iowa

Louisville, Ky.

Menasha, Wisc.

Modesto, Calif.

Neenah, Wisc.

Newnan, Ga.

Sunnyside, Wash.

Toronto, Ontario, Canada

Wausau, Wisc.

John W. Bard, *Vice President — Pulp & Paper Manufacturing*

Headquarters: NEENAH, WIS.

PULP AND PAPER MILLS & WOODLANDS

Ashland, Wis.

Bellamy, Ala.

Green Bay, Wis.

Marathon, Ontario, Canada

Menominee, Mich.

Naheola, Ala.

Rothschild, Wisc.

Thomasville, Ala.

MAJOR PRODUCTS — DIXIE

Paper drinking cups and dispensers, paper plates, round nesting paper food containers, plastic cups, plastic food containers, paper cup dispensing and filling machinery.

MAJOR PRODUCTS — MARATHON

Cartons and wrappers for dairy packaging cartons and wrappers for frozen food packaging; cartons, wrappers and plastic films for meat and vegetable oil packaging; cartons, wrappers, and labels for bakery packaging; dispenser napkins; industrial tissues, towels and waxed papers; paperboard trays; paper cartons, wrappers and labels, and plastic films for general packaging such as cigarettes, candy, soap, etc.; woodpulp, paper and paperboard; chemical by-products from pulp-making; lumber; Northern and Aurora bathroom and facial tissues, Northern and Gala paper towels; Northern napkins; Waxtex waxed paper and sandwich bags.

MAJOR PRODUCTS — MILK CONTAINERS

Factory-made paper containers (from ½ pint to quart sizes) for milk, orange and other fruit juices; dairy filling and sealing equipment for factory-made paper containers; Tuffy milk container blanks for forming and filling at dairies (from ½ pint to ½ gallon sizes); Tuffy container forming and filling equipment for dairy use.

AMERICAN CAN COMPANY RESEARCH LABORATORIES

Barrington, Ill.

Easton, Pa.

Maywood, Ill.

Neenah, Wis.

Newark, N.J.

Princeton, N.J.

Rothschild, Wis.

San Francisco, Calif.

DATA PROCESSING COMPUTING CENTERS

Metuchen, N.J.

Neenah, Wis.

HISTORY HIGHLIGHTS OF THE

- 1901** Sixty can-making companies joined to form the American Can Company, incorporated in New Jersey. Northern Tissue Paper Mills founded.
- 1905** Manufacture of Northern bathroom tissue started.
- 1906** American Can establishes packaging industries' first research laboratory.
- 1908-14** New open-end sanitary can and automatic closing equipment developed by Canco.
- 1909** Health Kup, later to become Dixie cup, introduced as first disposable paper drinking cup, to displace the unsanitary, common, public drinking vessel. Marathon Paper Mills Company incorporated at Wausau, Wisconsin.
- 1916-18** Canco turns its manufacturing know-how to World War I war effort.
- 1916** Marathon introduces bleached, lined, paperboard food cartons. Canco makes first fibre composite containers; introduces Double-Tite friction cover for paint cans.
- 1918** Dixie Cup name adopted.
- 1923** Dixie cup for ice cream introduced.
- 1924** Canco begins manufacture of first key-opening vacuum coffee can. Sun Tube Corporation organized in New Jersey to produce collapsible metal tubes.
- 1927** Waxtex, first household waxed paper, is marketed by Marathon. Marathon first to produce chemicals as pulp-making by-product.
- 1929** Marathon originates dispenser napkin service for institutional feeding.
- 1930** First bulk ice cream carton eliminating paper liner developed by Marathon.
- 1932** Canco introduces quart can for motor oil.
- 1934** Single-service paper milk container introduced.
- 1935** First commercially successful beer can, trademarked Keglined, introduced by Canco.
- 1936** Dixie Cup begins manufacture of cone-shaped soda fountain paper cups.
- 1938** Marathon develops first end-labels for sealing bread wrappers.
- 1941-45** All divisions turn to making government products for World War II.

AMERICAN CAN COMPANY

- 1946** Dixie Cup develops practical cup dispenser for vending machines.
Sun Tube makes first aluminum collapsible tubes.
- 1953** Bradley Container Corporation, a Delaware corporation, produces first polyethylene squeeze tubes by patented process.
Northern Paper Mills Company acquired by Marathon.
- 1956** Bradley Container and Sun Tube join American Can as subsidiaries.
Marathon develops Glamakote, new high gloss process for paperboard food cartons.
Marathon introduces reclosable Tux carton for bacon.
- 1957** Canco inaugurates its own coil-processing program.
Dixie Cup Company joins American, becomes Dixie Cup Division.
Marathon Corporation joins American, becomes Marathon Division.
Net sales exceed \$1,000,000,000 for first time in American Can Company history.
- 1958** Mira-Glaze, first polyethylene-lined paper cup, introduced by Dixie Cup.
Bradley-Sun Division formed from Bradley Container and Sun Tube.
First all-aluminum can (for motor oil) made by Canco.
- 1960** American enters glass container industry; construction started on two glass plants.
- 1961** Introduction of Mira-Flo pressure container, with plastic piston that separates propellant from product.
MiraGuard safety-edge ham can introduced.
First pull-tab easy-open can (for frozen juice concentrates) developed.
- 1962** M&T Chemicals Inc. becomes wholly-owned domestic subsidiary.
Milk Container introduces new Tuffy half-gallon milk carton blank; develops and sells machinery to dairies for forming and filling cartons.
Glass group introduces new Mug containers for beer featuring easy-open top.
MiraVue plastic-metal combination container for luncheon meats introduced.
Dixie Cup introduces bathroom paper cup dispenser.
- 1963** Construction started on Corporate Research and Development Center.
Marathon introduces Aurora, a two-ply, two-tone bathroom tissue.
Inexpensive method of using organic inks for decorating glass containers developed.
Tear-strip opening for vacuum coffee can introduced.
American Can acquires rights to new electrostatic printing in more than 15 commercial areas. By new method, printing reproduction is independent of finish or shape of package, greatly enlarging scope for package design.
- 1964** American announces plans to join with Skelly Oil Company of Oklahoma to operate basic resins production plant.
Paper products plant under construction in Japan; similar plant in planning stage for West Germany.
Introduction of Gala, first decorated, two-ply roll paper towel.
Introduction of easy-open aluminum sardine can; peel-easy top for soft-drink can; seamless tinplate aerosol can; tear-tab top for beer bottles.

CORPORATE ORGANIZATION

William C. Stolk
President & Chief Executive Officer

Elmer T. Klassen
Executive Vice President — Operations

Charles E. Martin, *Vice President — Assistant to
Executive Vice President — Operations*

Alden J. Schneider, *Administrative Assistant to the
Executive Vice President — Operations*

William F. May
Executive Vice President — Administration

William S. Woodside, *Administrative Assistant to the
Executive Vice President — Administration*

ADMINISTRATION

Darrell F. Brown
Vice President — Personnel & Industrial Relations

Alden H. Christianson, *Comptroller*

H. Walton Cloke
Vice President — Public Relations & Advertising

Robert W. Eidson, *Vice President — Industrial Engineering*

Wade Hampton, *Vice President — International Operations*

John R. Henry, *Vice President — General Counsel & Secretary*

Roger F. Hepenstal, *Vice President — Treasurer*

Joseph W. Kuebler, *Vice President — Product Planning*

John McCambridge, *Vice President for Special Assignments*

Robert C. Stolk, *Vice President — Purchasing & Transportation*

George Wachter, *Vice President — Engineering & Equipment*

Howard R. Weckerley, *Vice President — Finance*

Ross C. Wilcox, *Vice President—Planning & Development*

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H. E. Martin, *Chairman, M&T Chemicals Inc.*

OPERATIONS

CANCO, GLASS AND PLASTIC PRODUCT GROUP

Frank J. Graziano, *Vice President & General Manager*

Joseph C. Cavanagh, *Vice President & Administrative Assistant*

Douglas M. Johnson, *Vice President — Glass Products Sales*

Nicholas Marchak

Vice President — Plastic Products Manufacturing

Richard H. McCarthy, *Vice President — Plastic Products Sales*

Garnett A. Vaughan

Vice President — Canco Products Manufacturing

V. J. Verhunce, *Vice President — Glass Products Manufacturing*

D. Bruce Wiesley, *Vice President — Canco Products Sales*

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PAPER PRODUCT GROUP

Emmett W. Below, *Vice President & General Manager*

Frank J. Genet, *Administrative Assistant*

Walter E. Bachman

Vice President — Dixie Products Manufacturing

John W. Bard

Vice President — Pulp and Paper Manufacturing

William G. Genné

Vice President — Dixie Commercial Products Sales

Douglas G. Hyde

Vice President — Marathon Products Manufacturing

Palmer B. McConnell

Vice President — Marathon Commercial Products Sales

Robert J. Turek, *Vice President — Consumer Products Sales*

INTERNATIONAL OPERATIONS

Wade Hampton, *Vice President*

Headquarters — 100 Park Ave., New York, N.Y.

SERVICES

International Operations is responsible for the sale of American's products outside the United States, Canada, Puerto Rico and American Samoa. It is also responsible for foreign affiliates and subsidiaries in Brazil, Colombia, France, Israel, Japan, Mexico, Spain, Sweden, Switzerland, Venezuela and West Germany. In addition, International Operations is responsible for administering overseas licenses.

The major subsidiaries of American Can International, Inc. are: Dixie Cup de Venezuela C.A., Metalgrafica Canco S.A. (Brazil), Nueva Modelo, S.A. (Mexico), Tuboplast S.A. (Switzerland).



M&T CHEMICALS INC. (a wholly-owned subsidiary)

H. E. Martin, *Chairman & Chief Executive Officer*

Headquarters — 100 Park Ave., New York, N.Y.

PLANTS & FACILITIES

Andrews, S.C.
Baltimore, Md.
Beaverdam, Hanover
County, Va.
Carrollton, Ky.
Carteret, N.J.
East Chicago, Ind.
Grand Rapids, Mich.
Hamilton, Ontario, Canada
Huntington, N.Y.
Matawan, N.J.
St. Louis, Mo.
Seattle, Wash.
South San Francisco, Calif.
Tampa, Fla.

SALES OFFICES

Atlanta, Ga.
Chicago, Ill.
Cleveland, Ohio
Dallas, Tex.
Detroit, Mich.
East Chicago, Ind.
El Segundo, Calif.
Grand Rapids, Mich.
Hamilton, Ontario, Canada
Huntington, N.Y.
Matawan, N.J.
New York, N.Y.
Pico Rivera, Calif.
Pittsburgh, Pa.
Rahway, N.J.
St. Louis, Mo.
Southfield, Mich.
South San Francisco, Calif.

MAJOR PRODUCTS

Organic and inorganic chemicals for the textile, paper, food, paint, petroleum and pharmaceutical industries; zirconium, antimony and tin chemicals as opacifiers in the ceramic industry; chemical and corrosion resistant coatings; metal finishing equipment and supplies; apilite and titanium minerals; pure metallic tin and steel scrap from detinning operations.

AR54



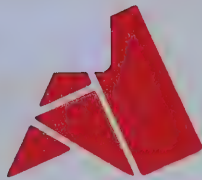
For Further Information

The Public Relations & Advertising Department, **AMERICAN**
CAN COMPANY, 100 Park Avenue, New York, New York 10017.



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AR54



Creative products that shape the future.

American Can Company
of Canada Limited

News Release

FOR RELEASE:
THURSDAY A. M.
SEPTEMBER 9, 1965

AMERICAN CAN OF CANADA HOLDS
FOUNDATION DAY CEREMONIES AT
NEW TORONTO CAN-MAKING PLANT

Toronto, Sept. 9 -- The American Can Company of Canada Limited (Canco) held a Foundation Day ceremony here today at its new plant site in Airport Industrial Park. Canco is the first corporation to move into this new industrial development in Toronto Township.

The Honourable W. G. Davis, Minister of Education for the Province of Ontario, and Township of Toronto dignitaries joined representatives of both the Canadian and American Companies to acquaint the public with Canco's seventh can-making facility.

The plant, under construction since late July, will be ready for production early in 1966. Initially, it will have four can-making lines for beer, soft drink and pressure cans. Ultimate capacity will

(more)

be seven can-making lines. The plant will employ between 50 and 75 persons.

Speaking at the ceremony, F. J. Graziano, Vice President and General Manager, Canco, Glass & Plastic Products Group at the American Can Company, noted that Canco has been part of the Canadian economy since the turn of the century.

"The products manufactured at this plant and the other Canco facilities are truly Canadian products -- from the labour and raw materials to the finished can. This new plant is further proof of the faith of the American Can Company of Canada Limited in this country's unlimited future and our dedicated desire to continue to be part of that future. "

Mr. G. H. McVean, Vice President, American Can Company of Canada Limited, and Robert W. Speck, Reeve of the Township of Toronto, also were on the program. The Rev. John Billingsly, St. John's Anglican Church, Dixie, Ontario, consecrated the plant.

The Toronto plant will devote 66,000 square feet of the total 200,000 to manufacturing. It is located on 30 acres of Airport Industrial Park, another development of the Township of Toronto Industrial Department. Orlando Construction Company, Ltd., is the general contractor.

(more)

The new plant will be the fifth can-making plant established in the Province of Ontario by the American Can Company of Canada Limited. With the completion of the plant, Canco will have seven plants located throughout Canada. The head office is in Hamilton, Ontario. Sales offices are located in major Canadian cities.

Other American Can Company Canadian operations include Dixie, Marathon and Plastic Products Group plants and sales offices.

CONTACT: Ken Bethune, Hamilton (416) 528-3471

John P. Nanovic, Constellation Hotel, Toronto (416) 677-1500

(9/9/65)

FINANCIAL HIGHLIGHTS

AMERICAN CAN COMPANY and its consolidated subsidiaries

	In Thousands of Dollars	
	1965	1964
Net sales	\$1,265,062	\$1,225,839
Income before Federal and other taxes on income	114,409	87,346
Net income after taxes	62,109	46,896
Return on sales:		
Before taxes	9.0%	7.1%
After taxes	4.9%	3.8%
Earnings per share of common stock after dividends on preferred stock	3.61	2.70
Dividends:		
On preferred stock	2,908	2,908
Per share of preferred stock	1.75	1.75
On common stock	33,562	32,537
Per share of common stock	2.05	2.00
Remainder of net income reinvested in the business	25,639	11,451
Book value per common share	33.83	32.22
Capital expenditures (replacement and new facilities)	62,890	96,189
Depreciation and depletion	50,811	47,769
Taxes of all kinds, including income and social security taxes	77,070	65,494
Total taxes per common share	4.70	4.02
Total payroll and employee benefits	402,939	396,936
Stockholders:		
Common stock	117,656	119,603
Preferred stock	6,449	6,737
Average number of employees	48,081	48,084

ANNUAL MEETING: The annual meeting of the stockholders will be held at The Hotel Astor, New York City, at 10 a.m., Eastern Daylight Time, Tuesday, April 26, 1966.

TRANSFER AGENT: Bankers Trust Company, New York, N. Y.

REGISTRAR: First National City Bank, New York, N. Y.

MESSAGE TO STOCKHOLDERS

The year 1965 was extremely significant for the American Can Company and its stockholders.

New records for earnings and sales were established. An increased dividend was declared. The revolutionary tin-free steel can and Glaminate VII, the convenience packaging material which combines the best features of plastic and metal tubes, were introduced.

Consumer products of American Can reached new highs in market penetration. M&T Chemicals Inc., a wholly-owned subsidiary, had a number of outstanding developments in the chemicals and metals fields.

American also was active in the formation of two new companies which characterize its continuing diversification. One is a petrochemical complex. The other is founded on a revolutionary method of cutting, creasing and embossing paperboard.

A number of new production, research and storage facilities were completed during the year. Ground was broken for others to be completed in 1966. Existing facilities at various locations were improved for more efficient production of both traditional and newly-introduced products.

This positive surge in all aspects of our business emphasized American's growing position in a wide range of separate and distinct businesses: metal containers, paperboard cartons, flexible packaging, metal and plastic tubes, consumer and industrial paper products and chemicals.

We also experienced our first full year within a "One Company," non-divisional concept of operation. Mr. William C. Stolk, who provided the leadership which made much of the foregoing possible, retired as Chairman after 50 years of service with American.

The increasing earnings can be attributed in large part to the dedication of management to improve, even further, the effectiveness and efficiency of the Company in all areas of operation. Facilities coming "on stream" in 1965 also contributed to these earnings.

Net earnings for 1965 were \$62,109,000 compared with 1964 earnings of \$46,896,000. These earnings represent a gain of 32.4 percent over 1964. The 1965 earnings represented \$3.61 per share of common stock compared with \$2.70 for the previous year.

Net sales in 1965 amounted to \$1,265,062,000 compared with \$1,225,839,000 in 1964.

Increased effectiveness and efficiency in operations are directly related to the decision by management to adopt a centralized, "One Company" concept. This approach has had three results: elimination of divisional entities, consolidation of effort and a considerable saving in administrative and selling expense. Highly qualified people are exercising the responsibilities of management in all areas and the results are reflected in a record-breaking year.

The tin-free steel can represented a major technical breakthrough by American Can in 1965. This new product, licensed to some other manufacturers, was made possible by an extensive research and development program. The result was the MiraSeam technique, which forms a non-soldered, plastic-bonded, lapped-seam can.

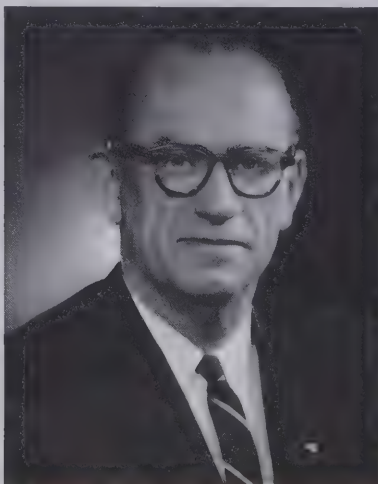
The process has been termed the most important advance in can-making since the container's invention. Initially, American's can lines are being converted to supply the beer industry with the tin-free steel container. This new construction also permits the use of a wide variety of other metals and coated metals in can manufacture.

The Glaminate VII material was as new and unique in the manufacture of tubes as the tin-free steel can was in its sphere. American combined up to seven layers of plastic, foil and paper to create Glaminate VII. Advantages include receptivity to multicolor printing. Glaminate VII was a major breakthrough in this country in the use of tubes to package food and holds promise for such products as dentifrices, cosmetics and condiments.

Another major innovation in convenience packaging by American in 1965 was the introduction of MiraStrip, a can of fiber and foil with a wrap-around plastic strip opener for concentrated frozen fruit juices. It has an easy-open



William F. May



E. T. Klassen

device that allows the homemaker to remove the contents easily through a full opening.

Opening new consumer markets is a challenging and highly complicated operation. It is expensive and it is fiercely competitive. Nevertheless, it also holds rich rewards for a company that has the imagination and boldness to reach for them.

In 1965 total sales of our consumer products exceeded \$100 million representing about 10 percent of our total sales volume. Based upon past growth, we look forward, within a few years, to having our consumer products—Aurora and Northern facial and bathroom tissue; Dixie cups, dispensers and plates; Gala paper towels; Waxtex paper—double their share of total volume.

In 1965 the American Can Company was able to achieve substantial consumer market penetration. Most notable achievements were the completion of national distribution of our Dixie bathroom dispenser and cup and the expansion of new Gala decorated towels to all but the Northeast region.

In our glass operations, we developed a finish for glass containers which reduces scratching and makes the container break-resistant. We developed high-speed printing techniques for decoration of the container, an important factor in non-returnable bottle economics. We developed palletization for ease in handling glass containers in bulk.

The industrial lines of paper products were broadened during the year. Dixie Industrial Products made a further entry into the "fast food" service market with a single cup speed-capper for use in locations providing carry-out service. The device automatically applies a spill-proof aluminum cap to Dixie cups.

American began supplying the dairy industry with the first four-color, half-

gallon Tuffy milk containers. New production volume will be provided by a plant at Jackson, Miss.

M&T Chemicals Inc. had major facility growth during 1965, described later in this report, and brought to a high level of commercial operation a classic chemical process, the Grignard reaction. The process permits the synthesis of complex organic chemicals used in pharmaceuticals, insecticides and fungicides.

M&T Chemicals also introduced Alstan 70 in 1965. It is the first successful method for plating on aluminum. Major applications of the process lie in the automotive, appliance, electrical and electronic industries.

In 1965 joint venture arrangements with Skelly Oil Company were brought to a successful conclusion with the formation of the Chemplex Company, which will operate a \$60 million petrochemical complex to be built near Clinton, Iowa. Chemplex will convert liquefied petroleum gases into various petrochemical materials. This venture will create new opportunities for American.

In another area, the Company added to its paper converting techniques a new method of cutting, creasing and embossing paperboard. To make and market this system, the Company has formed Impact Graphics, Inc., a wholly-owned subsidiary of American Can.

Impact Graphics will make the dies for this new board cutting, creasing or embossing operation. They are compatible with machinery developed by the Harris-Intertype Corporation, making available to the paper industry, by license, a means of forming packages that is faster and more economical than any process now known.

One of the Company's newest international affiliates, Nihon Dixie Company Limited, began production of Dixie paper cups, paper trays, waxed food

cartons and Parakote cheese wrappers in 1965. The plant is located about 35 miles northeast of Tokyo. Dixie-Marathon Verpackungen GmbH. of Koblenz, Germany, is engaged in intensive economic and market studies of convenience packaging in Europe.

At Greater Wollongong, New South Wales, Australia, M&T Chemicals (Australia) Pty. Limited has completed Australia's largest tin recovery plant.

The Company suffered a 21-day work stoppage by the United Steelworkers in the first quarter. An agreement, which was retroactive to October 1, 1964, was reached and extends through January 31, 1968. Contract negotiations between labor and the Company in a number of other areas also resulted in constructive labor agreements.

The continued record-breaking success of the American Can Company in 1965 is attributable to the loyalty and aggressiveness of its 48,000 employees, from those in the management group to the men and women on production lines in more than 139 plants and facilities. We all look forward to 1966 as a year of even greater promise.

Respectfully submitted,



William F. May, Chairman and Chief Executive Officer



E. T. Klassen, President

February 7, 1966



The management of the American Can Company decided that 1965 would see the emergence of the corporation as one company. One solid effort would be dedicated to performance and profit.

Establishing the "One Company" concept as a goal, however, did not make it happen. It took planning; it took operating and sales efficiencies...and, most important of all, it took people.

Thirty-eight of these people are pictured here. They are the members of executive management who, together with the Chairman and President, direct

American's production, sales and administration. Most of them have been trained within the Company. Some have been selected for their particular skills and talents from other businesses. They all possess one, common, predominant drive: to make the Company move forward at the fastest reasonable pace.

They are communicating this drive to 48,000 other employees—some of whom are pictured on the following pages of this Report. Together they are translating the "One Company" concept into the practical, viable solution to the

problems and challenges of expansive, ever-changing markets for American's products.

The success of "One Company" is reflected in the pages that follow.

- 1 **Nicholas Marchak**
Vice President
Plastic Products Manufacturing
- 2 **Richard H. McCarthy, Jr.**
Vice President
Plastic Products Sales
- 3 **Valentine J. Verhunce**
Vice President
Glass Products Manufacturing
- 4 **Douglas M. Johnson**
Vice President
Glass Products Sales





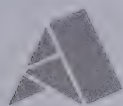
- 5 **Joseph C. Cavanagh**
Vice President and
Administrative Assistant Manufacturing
- 6 **Garnett A. Vaughan**
Vice President
Canco Products Manufacturing
- 7 **Frank J. Graziano**
Vice President and General Manager
Canco, Glass & Plastic Products Group
- 8 **James L. Oberg**
President
M&T Chemicals Inc.
- 9 **D. Bruce Wiesley**
Vice President
Canco Products Sales
- 10 **Herbert R. Brinberg**
Director
Marketing Research & Planning
- 11 **William G. Genné**
Vice President
Dixie Industrial Products Sales
- 12 **Walter E. Bachman**
Vice President
Dixie Products Converting Plants

- 13 **John E. Goode**
Project Administrator
Paper Products Group
- 14 **Douglas G. Hyde**
Vice President
Marathon Products Converting Plants
- 15 **John W. Bard**
Vice President
Pulp & Paper Mills
- 16 **Palmer B. McConnell**
Vice President
Marathon Industrial Products Sales
- 17 **Robert J. Turek**
Vice President
Consumer Products Sales
- 18 **Emmett W. Below**
Vice President and General Manager
Paper Products Group
- 19 **Frank J. Genet**
Administrative Assistant
Paper Products Group
- 20 **Ross C. Wilcox**
Vice President
Planning & Development

- 21 **William S. Woodside**
Administrative Assistant to Chairman
and Chief Executive Officer
- 22 **Vere Wiesley**
Vice President
Engineering & Equipment
- 23 **Benjamin F. Ballar**
Chairman of Appropriations Committee
- 24 **John McCambridge**
Vice President
Special Assignments
- 25 **Howard R. Weckerley**
Vice President
Finance
- 26 **Charles E. Martin**
Vice President
and Assistant to President
- 27 **Joseph W. Kuebler**
Vice President
Product Planning
- 28 **William J. Steinmetz**
Assistant Treasurer and Tax Director
- 29 **Alden J. Schneider**
Administrative Assistant to President

- 30 **Roger F. Hepenstal**
Vice President and Treasurer
- 31 **John R. Henry**
Vice President
General Counsel and Secretary
- 32 **Wade Hampton**
Vice President
International Operations
- 33 **H. Walton Cloke**
Vice President
Public Relations & Advertising
- 34 **Robert W. Eidson**
Vice President
Industrial Engineering
- 35 **Alden H. Christianson**
Comptroller
- 36 **Philip H. Chase**
Consultant in Organization Development
- 37 **Darrell F. Brown**
Vice President
Personnel & Industrial Relations
- 38 **Robert C. Stolk**
Vice President
Purchasing & Transportation





AMERICAN
CAN COMPANY



CANCO OPERATIONS

The American Can Company's vigorous involvement in various fields of modern packaging notwithstanding, the metal can retains its traditional importance.

Glamour twins of the burgeoning market for metal containers are beer and beverage cans. In the next five years metal cans for soft drinks are expected to increase more than 80 percent, while the demand for metal beer containers is expected to rise by more than 20 percent.

According to an American Can estimate, consumption of canned soft drinks reached an all-time high of 27.2 eight-oz. units per capita in the U.S. in 1965. This represented a 25 percent gain over 1964. Five years ago the consumption of carbonated beverages in cans was less than seven eight-oz. units per person.

Continued prosperity, providing increased disposable income and creating new markets for convenience refreshments, is cited as the principal reason for the booming beer and soft drink market in the U.S.

However, the general public also uses more than 2,500 other products, of some 135 industries, that are packed in metal cans. These containers come in more than 600 sizes, shapes and styles. The average American uses about 250 of them per year. The average family empties the contents of about 850 cans in a year.

The can reached for most frequently is a product of the convenience packaging revolution. This is a container that

offers ease of storage, ease of opening, ease of closing. Size and shape score far lower in consumer interest.

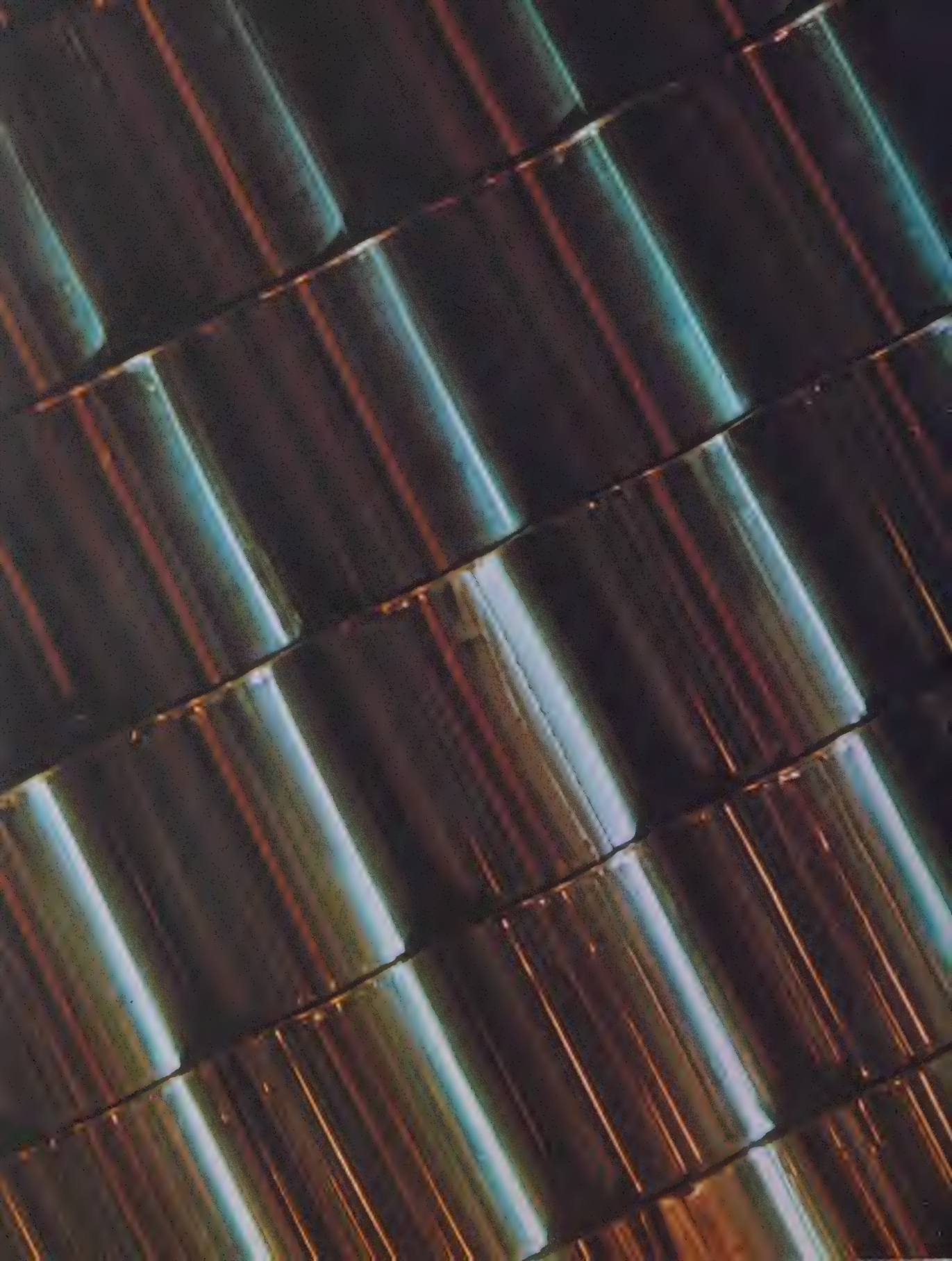
The American Can Company within the past year rounded out its line of metal convenience containers with a number of innovations.

The popular "Peel-Easy" top for canned soft drinks was given a ring pull (a metal-hemmed ring on the tab) with a hole large enough to insert an index finger. Consumer preference dictated the change. "Peel-Easy" cans have a tin plate top. The piece that comes away on opening is aluminum.

"Touch 'N Go", another ring-tab container, features an all-aluminum top and has a metal-hemmed ring. The easy open device has several unique features: □ the rivet at the seal break is smaller, requiring less effort to open; □ an indentation under the ring allows easier gripping of the ring; □ the tab that pulls away is outlined by a deep score for easier opening.

Late in 1965 the MiraStrip container for frozen juice concentrate was introduced. It features an easy opening device consisting of a narrow plastic strip clinched in the end of a fiber-foil composite can body, thus joining the metal top to the can body. The end is removed by unwrapping the plastic strip.

An American Can consumer survey, in which users indicated a preference for the MiraStrip container over other containers by a ratio of four-to-one, showed that the outstanding advantages of MiraStrip are: the full opening feature, for full and complete removal of



< *Metal Containers: American's basic product for 65 years. The Company produces billions of them annually.*

✓ *The 1965 look in easy-open beer and beverage can tops was characterized by ring openers, this one a "Peel-Easy".*

✓ *A ring for my finger. I give a little pull and my drink is ready to pour. It's great fun to do it.*

the contents and easy recognition of the quick-opening feature.

This consumer preference has led to immediate commercial acceptance of this new can. The first line began producing MiraStrip containers at American's Tampa, Fla., plant on Dec. 27, 1965. By early February, 1966, three American plants in Florida will be in production of MiraStrip cans.

One of the advantages of the MiraStrip container to packers is that it can be handled and filled on existing high-speed equipment with only minor modifications to the line.

More basic in design advantages are two 1965 innovations of the Company: the tin-free steel can and the MiraSeam process.

MiraSeam is a major breakthrough in the 65-year history of modern can making. It embodies a new construction concept: the side seam is lapped and cemented, rather than soldered. Advantages over the conventional soldered seam include added seam strength and opportunity for all-around decoration.

The tin-free steel can for beer utilizes the MiraSeam concept in a can entirely devoid of tin, a metal not produced domestically, but identified with the can-making art since its inception.

It is expected that, by mid-1966, commercial quantities of the new cans will be available to brewers in major areas of the U.S. It is hoped, moreover, that the tin-free steel can will be made and sold at prices below those of comparable conventional tin plate cans.

The Company bid for a larger share

of the booming aerosol market during 1965 by introduction of "Pressure Master," the first new two-piece tin plate container brought to market in a decade.

"Pressure Master" aerosol cans are produced at high speeds at the Company's Lemoyne, Pa., plant. They are formed by an exclusive "draw-and-iron" process, utilizing an electronically-controlled hydraulic press. Lack of a side seam on the cans permits all-around printing or decorating. It is expected that an increasing share of the growing aerosol container market will be of this seamless type.

In 1965, a number of facilities were constructed or expanded to insure a supply in volume of both new and conventional metal containers.

In West Point, Miss., a new facility was constructed for the production of drawn aluminum containers for Vienna sausage and potted meat. These four-ounce cans feature easy open tops and the plant can produce 50 million of them annually. They are shipped on huge pallets, each containing 7,840 cans.



Five new can-making lines were added to produce beer and soft drink containers. The new lines are at Arlington, Tex.; Detroit, Mich.; Fairport, N. Y.; Needham, Mass.; and Simcoe, Ont., Canada. Combined annual production of the five new lines is 375,000,000 cans.

Improvements in Canco closing machine equipment brought to reality a commercial filling speed of 1,100 beer cans per minute.

The Company today is more active in can research and development than at any time in its history.

Advanced research is being conducted on a wide variety of compositions and on the strength-producing, corrosion-protecting properties of hundreds of different interior and exterior coatings. Similar studies are being made into container design from the shape aspect, despite the fact that the Company produces literally hundreds of cylindrical, oval, oblong, square and flat can shapes.



✓ The big family size comes in handy, and bottles like this don't have to be returned to the store.

Glittering glass contributes increasingly to > American's packaging diversity.

GLASS OPERATIONS

Sixty percent of the products of American Can's Glass Products Manufacturing group were not in existence as recently as 1961. They have been made possible by a recent series of technical breakthroughs, such as the break-resistant Miraglass finish, cold ink decoration, non-returnable beer mugs and easy-open pull-tab bottle caps.

Demand for these products continued to grow in 1965, reflecting such trends in the industry as a marked rise in shipments of non-returnable glass beverage bottles. The year-end figure cited by the industry was 945 million units, compared with 632 million in 1964, a gain of over 300 million one-way bottles. This indicates increasing consumer acceptance of the one-way bottle.

Nonetheless, the beverage bottler today is offered a full range of glass bottles to satisfy the demands of consumers in his area. The popular bottle types currently available are the returnable, the non-returnable and the pre-decorated non-returnable.

In order to supply glass demands during 1966 and subsequent years, extremely close cooperation between the glass industry and its customers is expected to be required. Accurate projections will be required of American Can in order to plan production well in advance of demand.

To assist in accomplishing these projections, the multi-million dollar Cliffwood, N. J., glass container plant expects to employ about 900 persons.

The Glass Products group also is broadening its product base by developing facilities to produce emerald green glass, in addition to amber and flint (clear) glass. This glass will be produced at the Cliffwood plant. Equipment has been installed at the Terre Haute, Ind., plant and plans have been formulated for green glass production at American Can's third glass making facility, Shakopee, Minn.

In recognition of the human contribution to corporate success, the Company has enclosed glass warehouse, truck dock and railroad siding facilities at Minneapolis, Minn., to permit employees to load and unload products and incoming materials in relative comfort during the harsh Northern winter.

MiraVue is American's name for a tin plate bottom, capped by a transparent plastic blister with lift tab, used to package cold cuts. In 1965, the item was deemed out of the research stage and ready for commercial production. The Shakopee, Minn., glass plant is the production facility for these containers.

A Glass Products innovation, one made possible by the development of break-resistant bottles, was bulk palletization. In 1965, the system was further perfected in cooperation with a leading East Coast brewer. The system enables more than 2,500 bottles to be loaded on a single pallet, in up to seven layers, without being cased or otherwise protected against breakage. This saves time at American's plant and enables the customer quickly to move the bottles directly to the filling line.





✓ The ease of the squeeze is one of the good things about Glamine VII tubes. Another is what comes out of them.

Hurrying along: sheets of transparent plastic film on way to become flexible packaging.

PLASTICS OPERATIONS

The American Can Company entered the plastic tube business in 1956. Since then, its products have built a distinguished record of unique packaging developments.

Recent developments of American Can reflect creativity that can lead imaginative designers into new dimensions in convenience packaging.

In April 1965, the Company introduced Glamine VII, a development which reaffirmed that American is a creative, innovative competitor in the plastic packaging field.

Glamine VII is a packaging material composed of up to seven layers of plastic, paper and foil, bonded together. This lamination incorporates the best features of each material, while canceling out the less desirable. Glamine VII is the first such material capable of being decorated by a multi-color rotogravure process that will match the best lithography available.

Glamine VII was a major breakthrough in this country in the use of tubes to package food and holds promise for such products as dentifrices, cosmetics and condiments.

American's Dixie Products group utilizes plastics in the manufacture of various all-plastic food containers, container lids, and such specialty products as banana split and sundae dishes.

These items are being manufactured in a new plastics plant in Forks Township, north of Easton, Pa. It began operations in 1965. This modern facility



converts raw material to finished product on a self-contained basis.

The Forks Township plant has approximately 220,000 sq. ft. of floor space, including manufacturing, warehouse and office areas. Part of the warehouse provides storage for Dixie consumer product lines produced at Easton, Pa. and other locations.

During 1965, American Can became active in the production of "blown" plastic motor oil containers, and volume production of liquid detergent plastic bottles. These, and similar containers, are produced by a blow-molding process on machines especially designed for this use by American.

The year 1965 saw the first commercial usage of new equipment to produce plastic products by thermoforming, injection blow molding and extrusion

blow molding. Each process produces container types required in the highly specialized markets.

Now another American Can first in color-decorated plastic tubes developed by its Plastic Products group allows packaging designers to work freely with original art or color photographs in creating out-of-the-ordinary, full-color decorations which can be applied successfully to plastic tubes.

Although the color printing process is not a new one, American's successful application to the plastic tube packaging field is a graphic arts breakthrough. Previously, the usual printing method restricted designers.

Fundamentally, four plates (usually yellow, red, blue and black) each with its own half tone, are used to produce an infinite range of hues and values. Through color-separation photography of original art, amounts of each color are filtered onto a negative from which the printing plates are made. These plates are of varying intensity and when printed one over the other, will produce the subtle shadings and gradations necessary for printing exciting and unusual illustrations on plastic tubes.

American Can's first customer to use the new, full-color tube is marketing a new product in the packaging innovation: a feminine shaving cream packed in a four-ounce tube.

The package features an illustration attractively portrayed in natural-looking flesh tones. The tube is flexible, and durable and is topped by a standup cap covering the dispensing nozzle.



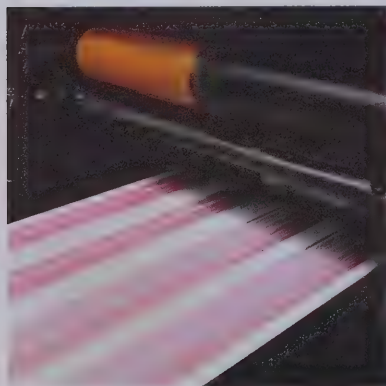
✓ *High-speed coating of paper and paperboard is one of American's highly developed skills.*

✓ *They call these big, pretty milk cartons Tuffy. They open easily and pour gently and take good care of the milk.*

Reflection at a paper plant: sun is mirrored in > water clarification facilities at Naheola, Ala.

PAPER OPERATIONS

Demand for American's consumer paper products in 1965 was the greatest in the Company's history, a highly satisfactory situation in view of the Company's ever-increasing commitment to this area of its business. Aggressive



market research, new product development and introduction, strong advertising and promotional programs—all geared for long range growth—have helped create this demand.

In 1965 the Dixie Consumer Products Group, Easton, Pa., joined other Consumer Products headquartered at Green Bay, Wis., in a direct application of American's "One Company" philosophy. Products currently made and marketed by the consolidated Consumer Products Group are these:

- Aurora two-ply, white and color-on-white bathroom tissue;
- Northern facial and bathroom tissue, white and in colors; luncheon napkins, white and in colors; paper towels, white and in colors;

- Dixie disposable cups for cold and hot drinks; disposable plates; dishes and bowls; kitchen and bathroom dispensers and disposable paper cups; plastic tableware, place mats;
- Gala two-ply white paper toweling with printed, decorative borders;
- Wuxtex paper and sandwich bags.

Tissue and towel products produced by the American Can Company do not enjoy national distribution. To date, distribution in the major Northeastern market has not been accomplished. Such a territorial penetration is a challenging, complicated, expensive venture into a highly competitive area. Though American Can has an expert consumer product marketing team, further penetration will await the moment when production facilities are available.

1965 saw a rounding-out of the product distribution in existing channels via these developments:

- the completion of Gala towel intro-



duction throughout the area now covered by Northern;

- the completion of the national introduction of the Dixie bathroom dispenser, and cup refills;
- the development and test market introduction of Northern single-ply printed tissue;
- the development and introduction of Northern two-ply towels.

To effect these goals, approval was given to expand a number of American Can's facilities for tissue products.

In Green Bay, Wis., an existing paper machine was modernized for improved quality and greater production rate. New converting equipment was installed there for the production of Gala towels, Northern two-ply towels, and bathroom tissue.

Work was initiated at Naheola, Ala., for an expansion of the large pulp and papermaking complex there, with start-up of units scheduled from the fall of 1966 to early 1967. This will include a sixth paper machine for tissue products together with its building; a continuous digester for manufacture of pulp from sawdust, a first for the Company; a third recovery boiler; additional tissue converting units; and other supporting utilities including a second lime kiln and effluent treatment facilities.

This expansion at Naheola follows installation of a continuous digester for chips, two paper machines, and a new converting facility completed in 1964 and early 1965.

Generally, Dixie Industrial Products are counterparts of the consumer line:



✓ The pretty paper towel that's two layers thick is called Gala. We find lots of use for them at my house.

✓ Pulpwood from American's own woodlands is converted into quality tissues for home use.

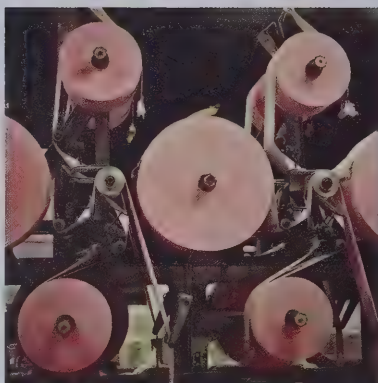
A colorful, never-ending parade: the march of > Dixie cups along production lines to market.

cups, plates and similar items for food and beverage service. These find application in industrial, institutional, commercial and drive-in feeding.

In the past, Marathon Industrial Products were primarily paper and paperboard items. A most significant 1965 development was Marathon's growth in the field of flexible packaging.

New Marathon facilities that began production in 1965 include a 110,000 sq. ft. leased plant at Des Moines, Ia., to print and fabricate packaging produced from varied combinations of films. Called Maraflex, this type of flexible (pouch) packaging is used to protect and market such products as bacon and frankfurters. Equipment utilized in the Des Moines plant includes flexographic presses and extruder-laminators.

During 1965 Marathon also provided



complete packaging for an "instant breakfast" powder to be mixed with milk. Pouches for individual servings are constructed of paper laminated to foil and coated. Cartons that hold six of the serving pouches are litho-printed in four colors. The complete unit demonstrates Marathon's versatility, which has appeal for food packagers.

In the South, at Jackson, Miss., construction began in 1965 for a 106,000 sq. ft. plant to produce American's Tuffy milk containers. Manufacture will begin early in the summer of 1966. Introduced in 1965 were half-gallon milk containers with four-color pictorial illustration, a "first" in milk marketing. Embodying the easy-open, easy-close "pinch 'n pour" feature of Tuffy, they were marketed commercially in New England and North Carolina during the year.

In the North, at Menominee, Mich., modifications effected on a paperboard machine at Marathon's mill resulted in improved coating techniques and the production of all paperboard in roll stock instead of as sheeted stock.

At Green Bay, Wis., rebuilding and modernization work was conducted on two paper-making machines.

Marathon's capability in the graphic arts, developed over the years in package printing, has resulted in an entirely new industry, development of machinery for sale to newspaper publishers. American Can pioneered in full-color newspaper advertisements that are inserted into black-and-white daily papers. In 1965, the Company offered publishers a special, compact unit, called SpectaGard, which controls this operation so that the ads are accurately positioned within the newspaper. The low cost of the unit makes it available to smaller papers that previously could not afford to carry this type of advertising.

Dixie Industrial Products is active in the development of ingenious machinery to solve customer problems. During the past year the group introduced a counter-top device called the Dixie 17-DP Capper. Used on Dixie Mira-Glaze cups, the machine applies a spill-proof cap to cups in three seconds. The 17-DP Capper is designed to speed service to diners, fountains and other "fast food" operations.

Dixie has taken the systems approach to industrial and institutional feeding by development of mechanical devices for both dispensing of food and disposal of waste. The first such system was installed in 1965 in a large New York City high school. Dixie also developed a complete disposable meal service for industrial catering and provides recommended use charts.





✓ *Mirror, mirror on the hubcap... What's the fairest plate of all? Chrome-on-aluminum, the M&T Alstan 70 way.*

✓ *A possibility here in model form: aluminum sports and racing wheel plated by M&T's Alstan 70 process.*

CHEMICALS

Recent record sales and earnings by M&T Chemicals Inc., which is a wholly-owned subsidiary of the American Can Company, have been paced by expansion in research facilities, plants and product line.



The Central Research Laboratories at Rahway, N. J., have been expanded by 24,000 sq. ft. with the addition of a two-story research and development laboratory. The original structure has been remodeled and given a new facade to conform with the architecture of the addition. Two on-site pilot plants and diverse sophisticated test equipment support extensive research in the areas of inorganic, organic and organometallic chemicals; electro-chemistry; and also in ceramics and minerals.

The M&T plant at Carrollton, Ky., has been expanded by the addition of 9,000 sq. ft. of new buildings and operating pads to house process equipment for several new organometallic chemicals recently added to the M&T lines.

At the Baltimore, Md., plant, a 23,000 sq. ft. building was constructed for manufacture and warehousing of antimony oxide and sodium antimonate, two chemicals used as flame retarders and as opacifiers (white pigment) in porcelain enamel.

A new 18,000 sq. ft. research center in Southfield, Mich., near Detroit, houses M&T's organic coatings research, development and technical service facilities. One of its features is a computerized control system for exact color matching of coating formulations at the organic coatings research center.

The new facility is now in full operation. Transfer of personnel and equipment from M&T Chemicals' former coating research facility at Carteret, N. J., was completed in 1965.

M&T Chemicals' scientists have developed a high level of technology based on a chemical process known as the Grignard reaction. In effect, this is a chemical process that permits the synthesis of rather complex organic chemicals. These find utilization in various kinds of insecticides, fungicides, and pharmaceuticals. For example, in the field of pharmaceuticals, M&T anticipates pilot plant production of intermediates for certain types of ethical drugs accessible through one of our types of Grignard reactions.

The intent is not to put American Can in the ethical drug field, but rather to complete the synthesis of chemical compounds to a point where they would be purchased by major drug firms for completion and marketing.

A chemical process with more glitter was developed by M&T Chemicals in 1965. Called Alstan 70, it is a method for plating on aluminum and represents the intermediate layer on which such plating as chrome is applied.

Alstan 70 has four major advantages over the widely used zincate plating: superior corrosion resistance, adhesion, thermal stability and solderability. The major applications of this new process are expected to be found in the automotive, appliance, electrical and electronic industries.

Other 1965 additions to the widely diverse industrial chemical activities of M&T include a new bright nickel plating process and new organophosphorus chemicals which can simplify manufacture of vitamin A and also may be used as catalysts or stabilizers in some other processes.

In other parts of the world, additional expansion of M&T Chemicals' subsidiaries and affiliates took place during the past year. This activity is described on P. 20 (International).



NEW DIVERSITY

The present diversification of American Can dates from 1956, when American expanded into the fields of plastic containers and collapsible metal tubes, through the Bradley Container and Sun Tube operations. A year later, Dixie Cup and Marathon products were added to the Company's roster.

In 1960 American Can entered the glass container industry and in 1962, M&T Chemicals Inc. (in whose predecessor, Metal & Thermit Corporation, the American Can Company, as one of its founders, had held a substantial interest) was organized as a wholly-owned domestic subsidiary.

In 1965, following completion of American's centralization and consolidation, two major bids for further planned diversification were effected.

Impact Graphics, Inc., a wholly-owned subsidiary was formed and a joint venture was entered into with Skelly Oil Company, of Tulsa, Okla., thus forming the Chemplex Company.

Impact Graphics, Inc. was incorporated in November. Its purpose: to license the newly developed cutting, creasing and embossing operation performed by a unique type of die, and to manufacture these dies for licensees not equipped to make their own.

Dies manufactured by Impact Graphics, Inc. are particularly suited for use on supporting equipment developed by Harris-Seybold Division of Harris-Inter-type Corporation.

The new firm was scheduled to begin

manufacturing operations in its plant at Oak Brook, Ill., in April, 1966.

To paper converters, the prosaic die cutting and creasing operations are an important process in the manufacture of a paper or paperboard package. In the past, these operations were based on modified printing methods and machines, and remained unchanged in principle for the past 50 years. However, recent improvements provide an integrated system of die-making procedures and new high-speed machines on which to run the dies. This is the Impact Graphics system.

This new concept makes possible machine operating speeds compatible with printing press speeds; dimensional and angular accuracies hitherto unobtainable. Exact similarity between all packages of a given type, regardless of any geographic or time separation in their manufacture, is assured because the new die represents an exact photographic reproduction of the original carton design drawing.

In November, the American Can Company and Skelly Oil Company announced formation of the Chemplex Company, a new joint venture in the petrochemical field. American and Skelly each hold a 50 percent interest in the new firm. Chemplex will produce high and low density polyethylene, and ethylene, which are commonly known as polyolefins and olefins.

These are the basic materials for a variety of industrial and consumer plastic products, such as household utensils, furniture, electronic and missile

component parts. Formation of Chemplex represents for American Can a diversification into the field.

It is anticipated that polyolefin resins produced by Chemplex' petrochemical plant and related facilities will be marketed nationally, with concentration in the Midwest. The firm will operate independently of the parent companies.

General offices and principal research facilities will be located in the Chicago area.

A site near Clinton, la., on the west bank of the Mississippi River was chosen for the \$60 million Chemplex facility. Liquefied petroleum gases will be brought there and further reacted to produce the petrochemical materials.

Chemplex at Clinton will operate, in addition to manufacturing facilities, a research pilot plant. Total employment will be about 150 persons. Land adjoining the site has been acquired for the venture to provide room for future expansion of facilities.

Clinton, la., greeted the choice of the neighboring site for Chemplex manufacturing facilities by overwhelmingly approving the issue of \$60 million in industrial development revenue bonds of the city to finance construction.

Skelly Oil Company, American Can's associate in the venture, is an integrated oil company active in petroleum exploration, production, processing, transportation, and marketing. Skelly, with headquarters in Tulsa, Okla., has approximately 4,200 employees and its gross operating income for 1965 was in excess of \$275 million.

✓ *Dixie products, here displayed in a Tokyo version of a U. S. supermarket, are gaining acceptance among the Japanese.*

INTERNATIONAL

American Can's recent international affiliate, Nihon Dixie Company Limited, began production of paper cups, paper trays, waxed food cartons and Parakote cheese wrappers during 1965.

The plant in which these products are manufactured is a new, 72,000 sq. ft. one-story structure with provisions for up to three expansions over the next five years. Total floor space could reach

technical personnel have been exchanged between American Can and the Japanese operation.

Further, the dedication underscored the American Can Company's recognition of the convenience packaging revolution that has swept the U.S. and is spreading in other nations.

Currently, American Can's International Operations group is involved with the affairs of the Company's affiliates

of Koblenz, Germany, formed in 1964, today is involved with intensive economic and market studies of convenience packaging in Europe, prior to committing funds to production capacity.

M&T Chemicals Inc., American's wholly-owned subsidiary, experienced considerable international facilities expansion among its foreign subsidiaries and affiliates during 1965.

In Hamilton, Ontario, M&T Products of Canada Limited added research, warehouse, manufacturing and office space amounting to over 16,000 sq. ft.

Industrias M&T de Mexico S.A. de C.V. has added 9,500 sq. ft. at Monterrey to increase capacity for producing opacifiers for ceramic glazes, stabilizers for the vinyl plastics industry, and catalysts used in the manufacture of urethane foam.

At Greater Wollongong, New South Wales, Australia, M&T Chemicals (Australia) Pty. Limited has completed construction of Australia's largest tin recovery plant. In addition to the detinning of tin plate scrap, the \$1.2 million facility will produce tin chemicals.

Across the world, in Europe, M&T announced two new facilities in 1965.

At Schwelm, West Germany, M&T Metallic GmbH broke ground for a new headquarters and plant for manufacture of chemicals used in electroplating.

In the Netherlands, plans were revealed for a \$3.3 million chemical plant to be built by Billiton-M&T Chemische Industrie N.V. to meet Western Europe's growing need for organometallic compounds.



200,000 sq. ft. and the present work force of 100 could be increased ultimately to about 350. It is located in Chiba Prefecture, about 35 miles north-east of Tokyo.

Late in October, a dedication ceremony held in Tokyo served to dramatize that Nihon Dixie is the first Japanese-American venture in its field in which the U.S. company is playing an active role. For instance, 20 management and

in Brazil, Colombia, Venezuela, Mexico, Switzerland, Sweden, France, Germany, Spain, Israel and Japan.

Activities of these companies are in various stages of development. The Company's oldest affiliate, in Venezuela, enjoys a place in some of that country's packaging industries similar to that of the American Can Company in the United States. A newer affiliate, Dixie-Marathon Verpackungen GmbH,

CANADA, PUERTO RICO, AMERICAN SAMOA

American Can Company subsidiaries conduct business in three areas outside the bounds of the United States that are not included as part of American's International Operations.

The largest of the three is Canada. The others are Puerto Rico and American Samoa.

In Canada, American Can has been a factor in the economy for more than 60 years. Today approximately 95 percent of materials used in American's Canadian locations and practically all the nearly 4,000 employees at 12 plant sites are Canadian.

A number of American Can's major product groups are represented north of the border. A variety of Dixie and Marathon paper products are made and sold in Canada and Sun Tube of Canada maintains both manufacturing facilities and sales offices. M&T Products of Canada Ltd. operates Canada's first detinning plant and produces tin chemicals, in addition to producing and selling such products as vinyl coatings and metal finishing supplies.

The American Can Company of Canada Limited, which is the counterpart of American's Canco Products group in the United States, produces metal containers at five locations. A sixth is being added in Toronto's Airport Industrial Park and is expected to begin commercial production by mid-1966.

By December 31, 1965, the warehouse area was virtually completed, while four can-making lines were being

installed in the 66,000 sq. ft. manufacturing area. The total plant area is 200,000 sq. ft. and the plant will have an ultimate capacity of seven lines for the production of beer, beverage and metal pressure cans. The facility will employ between 50 and 75 persons when it goes on stream.

The size and general industrial nature of Puerto Rico and American Samoa dictate American's representation on these islands.

Five houses have been constructed recently on the island of Tutuila, American Samoa, to accommodate American Can personnel employed at the Pago Pago plant of the Company's subsidiary, the American Can Company of Samoa, Inc. The plant serves the tuna packing industry that operates in this U.S. territory.

American Can supervised design and construction of the houses to provide for maximum comfort in the tropical climate (the average temperature is 85° F. and the relative humidity a nearly constant 90 percent). The houses are completely furnished, including such electric utilities as air conditioners, ranges and food freezers.

During 1965 a considerable amount of money was used or allocated for improvements in the facilities of American Can's subsidiary, the Puerto Rican Can Company, located at Bayamon, P. R.

The plant makes cans for fruits, vegetables, juices and nectars, tuna, beer and salt. Improvements included a bulk palletization system and a new line for manufacture of beer cans.



ADMINISTRATION

Eight departments comprise American Can's corporate Administration group. These are Engineering and Equipment, Finance, Industrial Engineering, Legal, Personnel and Industrial Relations, Planning and Development, Public Relations and Advertising, and Purchasing and Transportation. M&T Chemicals Inc., a wholly-owned domestic subsidiary, and International Operations are also included in Administration.

During 1965 the group experienced a consolidation that has resulted in an increased exchange of knowledge and techniques to raise the efficiency of the centralized operations.

Within the Administrative group are those charged with the responsibility of providing the overall planning for American's total research and development effort, which is fundamental to the long-range success of the Company. Under Planning and Development are:

- Product Planning, which develops new ideas, manages emerging products until they become commercial;
- Market Research and Planning, which compiles long and short range market data, cites the goals derived;
- Research and Development, which carries out traditional scientific work pertinent to the Company's operations.

Also within the Administration group are those concerned with optimum utilization of personnel abilities by helping employees achieve fuller job identity and satisfaction: Personnel and Industrial Relations. Training of many kinds—

technical, administrative and general—increasingly is being made available to everyone in American Can.

An inventory of available skills has been undertaken. It creates opportunities for further management training by returning personnel to the universities to complement their business skills.

The department also carries out more traditional duties in labor relations, employee information, personnel recruitment, industrial safety, compensation and office services, melding them in the "One Company" pattern.

In 1965 Public Relations and Advertising conveyed to all interested segments of the public, that American Can had adopted the "One Company" concept for greater vitality and profitability. An effective vehicle for external communication was established in the form of the quarterly magazine, *American Report*, which is represented by the Annual Report in this quarter.

The department also develops numerous other corporate communications programs directed to stockholders, customers, the financial community and opinion leaders. In a major 1965 project the department joined with professional designers to develop a new corporate symbol and logotype.

A new term, "tool power" was coined in 1965 to describe the effect of "One Company" centralization on Engineering and Equipment. For the first time, in one department, 2,350 employees who represent the highest concentration of engineering and machine-building skills have been brought together.

This group consists of Building and Construction Engineering, Customer Equipment Service, Process Equipment Engineering, Machine Design and Manufacture.

Now centralized in New York City, Purchasing and Transportation has, in the past year, brought specialization to a higher degree to provide American Can with more cohesive, efficient management. In spending nearly \$700 million, careful monitoring of routine trade discounts and meticulous administration can produce significant savings.

The Industrial Engineering Department has experienced no difficulty in organizing its skills within a centralized Company administration because the language of methods improvement, standards improvement and costs is a universal language.

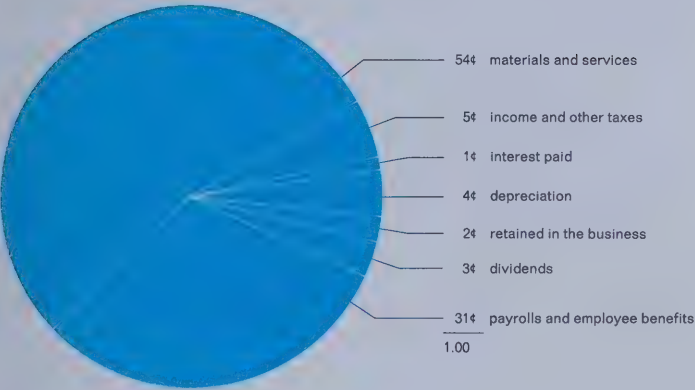
Within the department, the Economic Standards and Methods group sets ideal cost standards, a starting point for any program. Physical Standards and Methods does its measuring in units of work, rather than dollars.

Operations Research and Analysis applies mathematical approaches to the solution of complex problems. Field Industrial Engineering applies the basic approach of industrial engineering to paper, glass, plastics and metal.

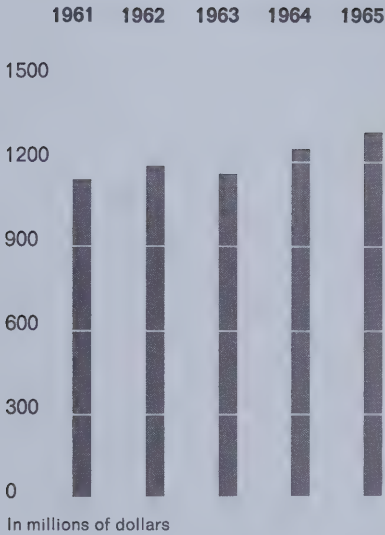
For the other groups within the Administrative structure of American, the past year was a continuation of "business as usual," with the realization that each department was contributing to, and was guided by, the new operational concept of centralization.

FINANCIAL CHARTS

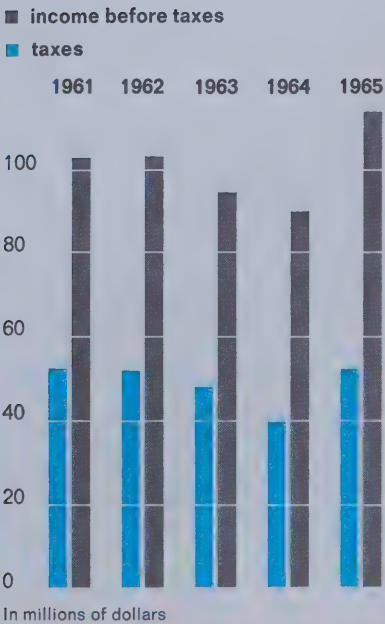
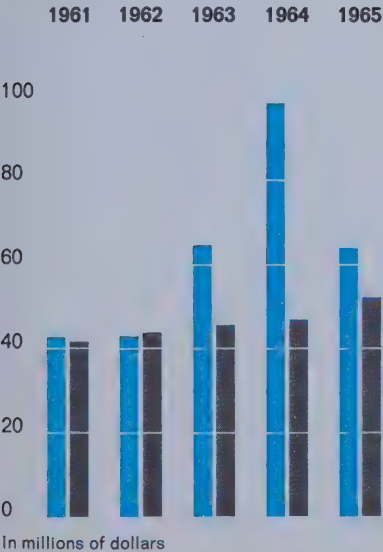
distribution of 1965 sales dollar in cents



sales



■ capital expenditures
■ depreciation provisions



STATEMENT OF FINANCIAL ACTIVITIES

AMERICAN CAN COMPANY and its consolidated subsidiaries

for the years ended December 31, 1965 and December 31, 1964

	In Thousands of Dollars	
FUNDS PROVIDED BY:	1965	1964
Net income, per statement of operations	\$ 62,109	\$ 46,896
Charges to operations not requiring funds:		
Depreciation and depletion	50,811	47,769
Deferred taxes on income	9,322	6,304
	122,242	100,969
Increase in Federal and other income taxes currently payable	12,204	3,742
Increase in current payables and accrued expenses	9,345	3,887
Common stock sold to employees under stock option plans	3,112	1,223
Decrease (increase) in deferred charges to future operations	1,175	(1,469)
Treasury stock issued for company acquired	472	—
Decrease (increase) in miscellaneous investments	158	(1,117)
	<u>148,708</u>	<u>107,235</u>
FUNDS USED FOR:		
Land, buildings, equipment and timberlands:		
Replacement and new facilities	62,890	96,189
Company acquired	1,411	—
Sold or retired, net of accumulated depreciation	(7,333)	(5,112)
	56,968	91,077
Dividends:		
Declared on common and preferred stock	36,470	35,445
Increase in dividends payable	(865)	(88)
Increase (decrease) in inventories	24,719	(5,542)
Increase in accounts and bills receivable	15,479	9,499
Reduction in long-term indebtedness, including current portion	11,679	6,302
Increase (decrease) in cash and temporary cash investments	4,049	(31,768)
Increase in investments in and receivables from nonconsolidated subsidiaries and affiliates	164	1,231
Purchase of treasury stock—common	—	1,288
Sundry, net	45	(209)
	<u>\$148,708</u>	<u>\$107,235</u>

FIVE YEAR FINANCIAL SUMMARY

AMERICAN CAN COMPANY and its consolidated subsidiaries

	In Thousands of Dollars				
	1965	1964	1963	1962	1961
Net sales	\$1,265,062	\$1,225,839	\$1,166,335	\$1,192,805	\$1,148,905
Income before Federal and other taxes on income	114,409	87,346	92,331	101,688	100,550
Net income after taxes	62,109	46,896	44,717	48,829	46,428
Return on sales:					
Before taxes	9.0%	7.1%	7.9%	8.5%	8.8%
After taxes	4.9%	3.8%	3.8%	4.1%	4.0%
Earnings per share of common stock after					
dividends on preferred stock	3.61	2.70	2.56	2.78	2.65
Dividends:					
On preferred stock	2,908	2,908	2,908	2,908	2,908
Per share of preferred stock	1.75	1.75	1.75	1.75	1.75
On common stock	33,562	32,537	32,617	32,838	32,390
Per share of common stock	2.05	2.00	2.00	2.00	2.00
Remainder of net income reinvested in the business . .	25,639	11,451	9,192	13,083	11,130
Book value per common share	33.83	32.22	31.54	31.18	30.37
Capital expenditures (replacement and new facilities)	62,890	96,189	64,164	41,522	42,440
Depreciation and depletion	50,811	47,769	45,238	42,789	40,912
Taxes of all kinds, including income and					
social security taxes	77,070	65,494	72,831	77,393	77,892
Total taxes per common share	4.70	4.02	4.47	4.69	4.74
Total payroll and employee benefits	402,939	396,936	381,340	367,699	348,059
Stockholders:					
Common stock	117,656	119,603	115,958	114,989	114,672
Preferred stock	6,449	6,737	6,904	6,941	6,883
Average number of employees	48,081	48,084	46,420	47,039	47,597
Earned on equity and borrowed capital					
investment	7.0%	5.4%	5.3%	5.7%	5.8%
Number of preferred shares outstanding	1,661,502	1,661,502	1,661,502	1,661,502	1,661,502
Number of common shares outstanding	16,400,374	16,309,630	16,302,751	16,499,595	16,449,066
Ratio of current assets to current liabilities	2.87 to 1	3.05 to 1	3.55 to 1	3.54 to 1	2.94 to 1

STATEMENT OF FINANCIAL POSITION

December 31, 1965 and December 31, 1964

	In Thousands of Dollars	
ASSETS	1965	1964
Cash and temporary cash investments	\$ 59,053	\$ 55,004
Accounts and bills receivable, less allowances	112,671	97,192
Inventories (Note 2)	<u>229,541</u>	<u>204,822</u>
Total current assets	401,265	357,018
Deferred accounts and bills receivable	690	621
Investments in and receivables from nonconsolidated subsidiaries and affiliates (Note 3)	16,203	16,039
Miscellaneous investments, at cost	3,889	4,047
Land, buildings, equipment and timberlands, at cost, less allowance for depreciation:		
1965—\$489,275		
1964—\$455,352	588,116	581,959
Deferred charges to future operations	11,476	12,651
Goodwill and other intangible assets	<u>5,322</u>	<u>5,258</u>
	<u>\$1,026,961</u>	<u>\$977,593</u>

AMERICAN CAN COMPANY and its consolidated subsidiaries

In Thousands of Dollars

LIABILITIES

	1965	1964
Accounts payable and accrued expenses	\$ 88,008	\$ 78,663
Dividends payable	9,747	8,882
Federal and other taxes on income	37,261	25,057
Long-term indebtedness payable within one year (Note 4)	4,825	4,375
Total current liabilities	139,841	116,977
Long-term indebtedness (Note 4)	208,454	220,583
Deferred taxes on income (Note 5)	82,252	72,930
	<u>430,547</u>	<u>410,490</u>

CAPITAL

Capital stock:

Preferred, 7 per cent, cumulative and noncallable, par value \$25		
per share; authorized 1,760,000 shares, issued and outstanding 1,661,502 shares ..	41,538	41,538
Common, par value \$12.50 per share; authorized 25,000,000 shares; issued:		
1965—16,491,619 shares (Note 6)		
1964—16,411,355 shares	206,145	205,142
Capital paid in for common stock in excess of par value (Note 7)	19,716	17,519
Earnings reinvested in the business	333,121	307,482
	<u>600,520</u>	<u>571,681</u>
Less, Common treasury stock, at cost:		
1965— 91,245 shares		
1964—101,725 shares	4,106	4,578
	<u>596,414</u>	<u>567,103</u>
	<u>\$1,026,961</u>	<u>\$977,593</u>

Adam H. Christanson

The accompanying notes are an integral part of this statement.

Comptroller

STATEMENT OF OPERATIONS

AMERICAN CAN COMPANY and its consolidated subsidiaries

for the years ended December 31, 1965 and December 31, 1964

	In Thousands of Dollars	
	1965	1964
Net Sales	\$1,265,062	\$1,225,839
Costs and expenses (materials, payrolls, supplies, services, depreciation and depletion) (Note 9)	1,142,291	1,131,350
	122,771	94,489
Other income, net	958	2,325
	123,729	96,814
Interest expense	9,320	9,468
	114,409	87,346
Provision for Federal and other taxes on income (Note 5)	52,300	40,450
Net income	62,109	46,896
Less, Dividends:		
Preferred stock (Per share—\$1.75, 1965 and 1964)	2,908	2,908
Common stock (Per share—1965, \$2.05; 1964, \$2.00)	33,562	32,537
	36,470	35,445
Remainder of net income reinvested in the business	25,639	11,451
Earnings reinvested in the business at beginning of year	307,482	296,121
	333,121	307,572
Less, Adjustment in connection with the acquisition of a business	—	90
Earnings reinvested in the business at end of year	\$ 333,121	\$ 307,482



The accompanying notes are an integral part of this statement.

Comptroller

NOTES TO FINANCIAL STATEMENTS

1 The consolidated financial statements include all significant wholly-owned domestic and Canadian subsidiaries.

2 Inventories are stated at the lower of cost or market. Certain major raw material costs in inventories are determined on the last-in, first-out (Lifo) basis and all other inventory components generally on the first-in, first-out or average basis. A summary of inventories follows:

	In Thousands of Dollars	
	1965	1964
Raw materials and supplies	\$ 97,187	\$ 77,672
Work in process	54,489	54,896
Finished product	77,865	72,254
	<u>\$229,541</u>	<u>\$204,822</u>

3 Investments in and receivables from nonconsolidated subsidiaries and affiliates are stated approximately at cost which is substantially equal to the related net assets shown by financial statements of such subsidiaries and affiliates.

4 Long-term indebtedness consists of the following:

	In Thousands of Dollars	
	1965	1964
2¾% Debentures, payable 1966-1971	\$ 12,000	\$ 14,000
3¼% Debentures, payable 1966-1982	18,000	19,000
3¾% Debentures, payable 1966-1988	73,515	75,076
4¼% Notes, payable 1966-1980	57,850	61,425
3⅞% Notes, payable 1966-1981	25,000	25,000
4¾% Debentures, payable 1966-1990	37,563	40,000
	<u>223,928</u>	<u>234,501</u>

Deduct:

Indebtedness held in treasury, at par, for payments:

Due within one year	4,500	4,500
Due beyond one year	6,149	5,043
Amount due within one year in excess of amount held in treasury	<u>4,825</u>	<u>4,375</u>
	15,474	13,918
Net long-term indebtedness	<u>\$208,454</u>	<u>\$220,583</u>

Payments due on long-term indebtedness during each of the next five years, in addition to amount held in treasury at December 31, 1965, are: 1966, \$4,825,000; 1967, \$5,210,000; 1968, \$8,961,000; 1969, \$10,590,000, and 1970, \$10,825,000.

NOTES TO FINANCIAL STATEMENTS

- 5 For income tax purposes, the Company uses depreciation methods and rates which differ from those used for financial accounting purposes. The reduction in income taxes payable currently which results from the net excess of tax depreciation over book depreciation is included in the income tax provision and added to deferred taxes on income.

The investment credit provided by the Revenue Act of 1962 is applied as a reduction of the income tax provision and was approximately \$4,400,000 for 1965 and \$4,340,000 for 1964.

- 6 Stockholders of the Company approved stock option plans in 1955 and 1959 for the granting of options to management employees (including officers) to purchase shares of the Company's common stock. Options previously granted by a company merged in 1962 were converted into options to purchase shares of American Can Company common stock (M&T Plan).

The range of prices at which these options are exercisable and changes during 1965 in shares optioned and available for option are summarized as follows:

	1955 Plan	1959 Plan	M&T Plan
	Optioned Shares	Optioned Shares	Unoptioned Shares Available
Price range per share	\$33.47 to 38.04	\$33.50 to 53.94	\$34.00
Balance, January 1, 1965 . . .	51,117	234,448	156,868
Granted		66,150	66,150*
Exercised	25,797*	53,779*	688*
Expired	12,568*	6,619*	19,187
Balance, December 31, 1965	12,752	240,200	109,905

*Indicates deduction

- 7 The net increase in capital paid in for common stock (1965, \$2,197,000; 1964, \$771,000) results principally from the excess of option price over par value of common stock issued for options exercised.

NOTES TO FINANCIAL STATEMENTS

- 8 The Company has entered into a joint venture agreement pursuant to which it expects to enter into an agreement in 1966 under which it will be obligated to make payments equal to the annual principal and interest payable (except for certain principal and interest payable out of bond proceeds) on \$30,000,000 of the long-term bonds to be issued by a third party to finance the construction of a plant to be used by the joint venture.
- 9 Costs and expenses include selling, general and administrative expenses of \$124,973,000 in 1965 and \$125,864,000 in 1964.
- 10 Provision for depreciation and depletion was \$50,811,000 in 1965 and \$47,769,000 in 1964. Depletion relates to timberlands and is applied as a direct reduction of the cost of this asset.

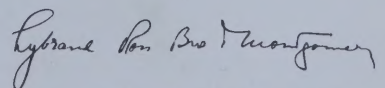
REPORT OF AUDITORS

To the Stockholders of American Can Company:

We have examined the statement of financial position of American Can Company and its Consolidated Subsidiaries as of December 31, 1965 and the related statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We previously examined and reported upon the consolidated financial statements of the Company for the year 1964.

In our opinion, the above-mentioned statements present fairly the financial position of American Can Company and its Consolidated Subsidiaries at December 31, 1965 and 1964, and the results of their operations for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

New York, February 4, 1966


Lybrand Ross Bros. & Montgomery

DIRECTORS

Lester Armour
Jervis J. Babb
William E. Buchanan
Richard R. Hough
Donald B. Kipp
Elmer T. Klassen
William F. May
William H. Moore
Mundy I. Peale
William C. Stolk
Clarence L. Van Schaick

CORPORATE OFFICERS

Chairman and Chief Executive Officer

William F. May

President

Elmer T. Klassen

Vice President, General Counsel and Secretary

John R. Henry

Vice President and Treasurer

Roger F. Hepenstal

Vice Presidents

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Darrell F. Brown
H. Walton Cloke
Robert W. Eidson
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Wade Hampton
John McCambridge
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Howard R. Weckerley
Vere Wiesley
Ross C. Wilcox

Comptroller

Alden H. Christianson

Assistant Secretaries

C. Richard Pedersen
R. Dean Pine, Jr.
Helen H. Schaefer
Edgar H. Schmiel

Assistant Treasurers

John M. Devaney
Eleanor M. Guiffre
William J. Steinmetz
Norman G. Strobel

The text of American's 1965 Annual Report is printed on Marathon's 80-pound Starfire Offset.

